

New EPA Regulations Threaten at Least 852,100 Jobs and \$162.4 Billion in Economic Activity

A new report conducted by Oxford Economics and commissioned by the National Association of Manufacturers warns that the Environmental Protection Agency's proposed air quality regulations for particulate matter (PM2.5) are projected to threaten **\$162.4 billion to \$197.4 billion** of economic activity and put **852,100 to 973,900 current jobs at risk**, both directly from manufacturing and indirectly from supply chain spending. In addition, growth in restricted areas may be constrained, limiting investment and expansion over the coming years. Due to these limited opportunities for expansion or investment, these areas in nonattainment could lose out on an additional **\$138.4 billion in output and 501,000 jobs through 2027**.

Key Findings

- The regulations create a total economic exposure of **\$87.4 billion** for manufacturing economic activity, equal to **2.4%** of the U.S. manufacturing sector's gross value added.
- The number of manufacturing jobs associated with this exposed activity is **311,600**, or **1.9%** of all U.S. manufacturing employment.
- Manufacturing in the U.S. exposed to the proposed standard supports between **\$75 billion** and **\$110 billion** in GDP and between **540,500** and **662,300 jobs** in the U.S. through supply chain spending.
- Due to limits on expansion and investment, the proposed rule would put at risk approximately **\$138.4 billion** of gross value added (in 2021 prices) and **501,000 jobs in 2027** in areas of nonattainment.
- Under proposed rule, **200** counties could be placed out of attainment.
- California's manufacturing sector will be most exposed, followed by Michigan and Illinois.
- Manufacturing operations in the U.S. are environmentally cleaner than the global average.

Manufacturers Are Leading the Way on Air Quality Improvement

For decades, manufacturers across all sectors have been developing smart, innovative ways to use energy, water and other resources more sustainably—all while boosting economic growth and creating good jobs. Today, manufacturing in the U.S. is cleaner and more sustainable than at any other time in history, due to a revolution in how manufacturers produce, use and recycle energy. In fact, the U.S. reduced the six common NAAQS pollutants, including PM2.5, by 78% between 1970 and 2020, according to the EPA. Further, PM2.5 levels alone dropped 43% between 2000 and 2020.

The EPA's new proposal presents additional hurdles for manufacturers in the U.S. at a time when economic uncertainty persists and runs counter to global environmental stewardship.